VZCZCXRO2469 PP RUEHCT DE RUEHIL #9964/01 1510702 ZNY SSSSS ZZH P 310702Z MAY 06 ZDK FM AMEMBASSY ISLAMABAD TO RUEHC/SECSTATE WASHDC PRIORITY 9897 INFO RUEHTA/AMEMBASSY ALMATY 9465 RUEHAH/AMEMBASSY ASHGABAT 0635 RUEHEK/AMEMBASSY BISHKEK 3657 RUEHLM/AMEMBASSY COLOMBO 0772 RUEHKA/AMEMBASSY DHAKA 1512 RUEHDBU/AMEMBASSY DUSHANBE RUEHBUL/AMEMBASSY KABUL 5412 RUEHKT/AMEMBASSY KATHMANDU 6558 RUEHNE/AMEMBASSY NEW DELHI 8526 RUEHNT/AMEMBASSY TASHKENT 1303 RUEHCI/AMCONSUL CALCUTTA 0809 RUEHCG/AMCONSUL CHENNAI 3147 RUEHKP/AMCONSUL KARACHI 1107 RUEHLH/AMCONSUL LAHORE 8886 RUEHBI/AMCONSUL MUMBAI 3522 RUEHPW/AMCONSUL PESHAWAR 6742 RHEHNSC/NSC WASHDC

S E C R E T SECTION 01 OF 03 ISLAMABAD 009964

SIPDIS

NOFORN SIPDIS

E.O. 12958: DECL: 05/24/2016

TAGS: PGOV KDEM PHUM PK

SUBJECT: PROGRESS TOWARDS DEMOCRACY

REF: 05 ISLAMABAD 1067

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Classified By: DSCG 05-01, b and d

11. (C/NF) Summary: The upcoming national and provincial elections will be an important bellwether on progress towards democratization in Pakistan. However, free and fair elections must be supported by long-term systemic changes that are necessary to institute good governance and firm civilian control over the military. As we continue to track progress towards elections, it will be important to assess progress on institution building and transitional arrangements -- both of which remain at relatively early levels of development. This cable establishes a baseline assessment of progress on transitional arrangements and institutional development in four key sectors legislatures, local governments, political parties, courts, and the bureaucracy. USG programs operating in these areas provide opportunities to support the long-term institutional change needed to allow a free and fair election in 2007 to contribute substantively to long-term democratization. End Summary

Ensuring a Smooth Transition

12. (C/NF) Given Pakistan's poor record on successful transitions from military rule to sustainable civilian democracy, successful management of transitional arrangements will be a critical component of ensuring success in the current cycle. A return to the corrupt, inept, and anti-democratic civilian regimes of the 1990s will do little to advance the cause of democracy in Pakistan. Similarly, strained relations between the military and the political classes — the friction behind many of the country's military takeovers — must be systematically addressed and managed. Post continues to believe that President Musharraf has the vision, leadership skills, and establishment support to address both issues in a meaningful fashion. As no party is likely to obtain an outright majority in the upcoming

national elections, a coalition will be necessary to govern. In a best-case scenario, Musharraf would be able to expand his political support base to include mainstream political forces, mainly the PPP, in the aftermath of genuinely free and fair elections in 2007. Such a scenario would provide Musharraf a popular mandate to enable a phased transition of power over the ensuing five years from what will be viewed as a military presidency (even if Musharraf removes his uniform) to a civilian prime ministership. Such a phased transition should allow for the development of civilian democratic institutions and creation of an institutionalized civil-military dispute resolution mechanism through either the existing National Security Council or the opposition's proposed Defense Consultative Committee.

13. (S/NF) This managed transitional approach, however, will require pre-election understandings between the GOP and the PPP. A dialogue has been ongoing between leaders on both sides since at least 2004, but with little in the way of concrete progress. Government overtures to PPP leader-in-exile Benazir Bhutto in early 2006 have foundered over intractable demands on both sides. Post is concerned that positions have hardened in the last few weeks, due to an erroneous perception that the USG (and possibly the British) has decided to back Benazir Bhutto over President Musharraf as head of a post-election government. While we have repeatedly denied any truth to such rumors, the PPP seems prepared to gamble on this possibility rather than negotiate further. Absent PPP backing, Musharraf will face an increasingly complex, and perhaps impossible task, in trying to manage the transition.

Legislative Strengthening

14. (C/NF) Recent international literature has highlighted the ISLAMABAD 00009964 002.4 OF 003

linkage between strong parliaments and successful emergence of democratic rule. By this measure, Pakistan falls far behind the democratic curve. The national and the four provincial assemblies do not yet play a meaningful role in scrutiny of executive action, independent legislation, or national conflict resolution. While there have been notable improvements in the functioning of a handful of committees and of independent oversight work by some legislators, these have been almost exclusively concentrated at the national level and appear to be the result of increased confidence on the part of a limited number of legislators as opposed to systemic changes. Post is concerned that as these gains lack institutional support, they will quickly evaporate following the next election. Institutionalizing changes through building effective committee processes, establishing an ongoing training center for parliamentarians, and establishing a viable research center to assist both committees and individual members with their oversight responsibilities remain the focus of our assistance in this area. Reforms allowing members to deliver constituent services in a transparent, corruption-free method that does not impede national development planning will also be required.

Local Governance

15. (C/NF) For most Pakistanis, national and provincial governments remain largely irrelevant. This is in sharp contrast to local governments, which have responsibility for most governmental services ranging from infrastructure to social services. Musharraf's decision in 2000 to replace bureaucratic administrators with elected local governments represented a critical break with undemocratic local government traditions. It also, however, meant a steep learning curve for newly elected members of the highly complex three-tier system that was implemented. Performance during the first term that ended in 2005 varied radically. A handful of elected governments were able to improve on the performance of their bureaucratic predecessors, due to the

personal initiative and leadership of senior officials. The remainder struggled, unable to navigate a complex governance system, hostile provincial governments and local elites, and parallel institutions that inserted the federal government in local matters. As a result over half of incumbents were not reelected in 2005. The National Reconstruction Bureau has belatedly realized that its training and assistance methodologies were badly outdated. It has, therefore, approved USAID's "Districts that Work" program that will assist a select number of districts to better manage existing resources and deliver services to constituents. Lessons learned and methods developed under this program can be replicated in other districts across Pakistan.

Political Parties

16. (C/NF) The mainstream political parties focus almost exclusively on personalities rather than programs or ideology. None have strong internal democratic traditions nor regular, competitive elections for leadership at any level. Training of new leaders is practically non-existent, and decision-making is generally highly centralized. Most parties have not developed strong grass-roots support bases, focusing instead on concluding agreements with feudal landlords and tribal chiefs, who are then supposed to deliver their supporters on election day. While certain of these trends, particularly the centralization of decision-making authority, have been exacerbated in recent years, there are some positive indicators. NDI programs have increased the parties' emphasis on leadership training and opened the debate on democratic structures. The three largest parties (PPP, PML, and PML-N) have all begun competitive elections for local offices within the party. Indeed, the PML claims that its senior office-bearers will face similar scrutiny -although with President Musharraf having already endorsed the

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reelection of the current slate of senior leaders, these contests will likely be meaningless. In the run-up to the 2007 elections, post will continue to work through NDI to provide parties with support necessary to improve candidate-selection methodology, develop issue-based platforms, and improve connectivity with grass-roots voters.

Courts

17. (S/NF) The Pakistani court system is broken. Its ability to deliver justice to the average citizen is badly impeded. Corruption and elite influence on the lower courts are rampant. Appellate tribunals are more independent from financial pressure, but their decisions in high-profile political cases are frequently influenced by the executive. While President Musharraf and Prime Minister Aziz have both expressed a desire to improve the court system, there seems to be no systematic plan for doing so. Indeed, the Asian Development Bank project has been unable to obtain implementation of many of the recommended policy changes from its "Access to Justice" program. In its most recent periodic briefing to program stakeholders, the Bank was able to show marked improvement in only one of its numerous progress indicators -- the speed with which a case is decided by the court system. Absent a significant improvement in the quality and independence of judicial decisionmaking, post does not consider rapidity an indicator of progress. Reform of the judiciary will require a serious high-level commitment by the GOP. Post recommends continued engagement with the GOP on this issue but minimal funding until such time as a genuine commitment is demonstrated. Meaningful reforms to be enacted by a future coalition government should include parliamentary confirmation of judicial nominees for appellate courts and establishment of an independent entity to police corruption within the judiciary.

Bureaucracy

18. (C/NF) The senior-levels of the Pakistani bureaucracy are

an extension of the feudal and tribal elites that dominate the political classes, often coming from the same families. These senior-level elites see themselves as an independent center of power in the Pakistani political structure, refusing to subordinate themselves to the government of the day, be it civilian or military, and leading to continuous behind-the-scenes battles for control. There are numerous instances of Federal Secretaries blocking initiatives approved at the political level through bureaucratic means. While most of the senior levels of the bureaucracy hold the minimum qualifications for their appointments, the same cannot be said for their lower level counterparts, many of whom obtained their job through political patronage. Corruption at this level of the bureaucracy is rampant, and work performance is poor. Even the most committed senior-level bureaucrats often find that they lack the support structures necessary to carry out their jobs effectively. Radical reform of the bureaucracy based on a merit system is essential.

Comment

19. (C/NF) Despite the serious impediments that still remain in the path of democratization, post is optimistic. President Musharraf has demonstrated a willingness to move forward with reforms in many of the sectors that we have identified, and there is a broadbased and growing coalition of support for change in the legislatures and within political parties among mid-level politicians. With continued engagement and support, these groups can be aided in bringing about meaningful and long-term change. End Comment.

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